



OVERSIGHT AND
COMPLIANCE

OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER
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WASHINGTON, DC 20301-9010

MAR 27 2015

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT
GENERAL SERVICES ADMINISTRATION

SUBJECT: Amended Charter and Membership Balance Plan Consultation – *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to amend the charter for the *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries* (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectfully requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.

James D. Freeman II
Advisory Committee Management
Officer for the Department of Defense

Attachments
Proposed Charter
Proposed Membership Balance Plan

Charter
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

1. Committee's Official Designation: The committee will be known as the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 1114(a)(1) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Board.
3. Objectives and Scope of Activities: The Board provides independent advice and recommendations related to actuarial matters associated with the Department of Defense (DoD) Medicare-Eligible Retiree Health Care Fund ("the Fund") and other related matters described in paragraph four below.
4. Description of Duties: The Board, pursuant to 10 U.S.C. §§ 1114(b) and (c), shall report to the Secretary of Defense annually on the actuarial status of the Fund and shall furnish its advice and opinion on matters referred to it by the Secretary of Defense.

The Board shall review valuations of the Fund under 10 U.S.C. § 1115(c) and shall report periodically, not less than once every four years, to the President and the Congress on the status of the Fund. The Board shall include in such reports recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.

5. Agency or Official to Whom the Committee Reports: The Board reports to the Secretary of Defense annually on the actuarial status of the Fund and shall furnish its advice and opinion on matters referred to it by the Secretary. The Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), may act upon the Board's advice and recommendations.
6. Support: The DoD, through the Office of the USD(P&R), provides support, for the Board's performance and ensures compliance with the requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.
7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$80,000.00. The estimated annual personnel cost to the DoD is 0.4 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO) must be a full-time or permanent part-time DoD employee, designated in accordance with established DoD policies and procedures.

The Board's DFO is required to attend all meetings of the Board for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO, duly designated to the Board according to established DoD policies and procedures, must attend the entire duration of all meetings of the Board.

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The DFO, or the Alternate DFO, calls all meetings of the Board; prepares and approves all meeting agendas; and adjourns any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures.

9. Estimated Number and Frequency of Meetings: The Board meets at the call of the Board's DFO in consultation with the Board's chair. The estimated number of Board meetings is at least one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.
11. Termination: The Board terminates upon repeal of 10 U.S.C. § 1114.
12. Membership and Designation: The Board consists of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. Board members will serve for a term of 15 years, except that a Board member appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. A Board member may serve after the end of the term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed every five years. A Board member may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board and for no other reason. The Board's Chair will be designated by the USD(P&R) from among those Board members previously approved by the Secretary of Defense.

Board members, who are not full-time or permanent part-time Federal officers or employees, will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee members and is entitled, pursuant to 10 U.S.C. § 1114(a)(3), to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay under the General Schedule of subchapter III of chapter 53 of title 5, for each day the member is engaged in the performance of duties vested in the Board. Board members who are full-time or permanent part-time Federal officers or employees shall be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee members. All members are entitled to reimbursement for official Board-related travel and per diem.
13. Subcommittees: The DoD has determined that subcommittees will not be authorized for this Board.
14. Recordkeeping: The records of the Board shall be handled according to Section 2, General Records Schedule 26 and governing DoD policies and procedures. These records will be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).
15. Filing Date:

Membership Balance Plan
Department of Defense Medicare-Eligible-Retiree Health Care Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 1114(a)(1) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Mission/Function: The Board, pursuant to 10 U.S.C. §§ 1114(b) and (c), provides the Secretary of Defense and the Deputy Secretary of Defense independent advice and recommendations related to the actuarial status of the Department of Defense Medicare-Eligible Retiree Health Care Fund ("the Fund"), as discussed in more detail in the charter.
3. Points of View: The Board consists of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries and have extensive backgrounds in actuarial matters associated with retiree health care.

Board members appointed by the Secretary of Defense or the Deputy Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee (SGE) members. Board members appointed by the Secretary of Defense or Deputy Secretary of Defense, who are full-time or permanent part-time Federal officers or employees, are appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee (RGE) members.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the Department through a multidisciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

The Board's membership balance is not static and the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the DoD Sponsor. The DoD, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: NA
5. Candidate Identification Process: DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries.

Potential candidates are identified by the DoD Office of the Actuary (OACT), which contains all of the Department's actuarial expertise. The OACT consults with various actuarial bodies, including the American Academy of Actuaries, and with the Board members themselves.

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Once potential candidates are identified, the Designated Federal Officer, in consultation with OACT, reviews the credentials of each individual and narrows the list of potential candidates. During the review, he or she strives to achieve a balance between the educational and professional credentials of the individuals and the anticipated subject matters to be reviewed by the Board to achieve expertise in points of view to be represented and functions to be performed.

After the list of candidates has been narrowed, it is forwarded to the USD(P&R) for further scrutiny and formal nomination to the Secretary of Defense or the Deputy Secretary of Defense. Prior to nominating the potential candidates, the list of candidates will undergo a review by the Office of the General Counsel for the Department of Defense and the Advisory Committee Management Officer (ACMO) to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the USD(P&R) discusses his or her potential nominees with the Secretary of Defense or the Deputy Secretary of Defense and receives authority to proceed with the nominations.

Pursuant to DoD policy, only the Secretary or the Deputy Secretary of Defense can invite or approve the appointment of individuals to serve on DoD established or supported advisory committees and subcommittees. The Secretary of Defense or the Deputy Secretary of Defense may approve the appointment of members to the Board for a 15-year term of service, except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed will serve only until the end of such term. Board members may serve after the end of the term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed to the Board every five years. No Board member may be reappointed for successive terms. The USD(P&R), as the Board's Sponsor, is authorized to administratively certify the appointment of Board members that were previously approved by the Secretary or Deputy Secretary of Defense.

Following approval or authorization to proceed with the appointment by the Secretary of Defense or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members who are appointed as SGE members.

Membership vacancies for the Board will be filled in the same manner as described in the previous five paragraphs above.

6. Subcommittee Balance: The DoD has determined that subcommittees will not be authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Committees, Boards, and Commissions (79 FR 47482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.

Membership Balance Plan
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8. Date Prepared/Updated: